

AVEO PEREGIAN SPRINGS COUNTRY CLUB RESIDENTS' ASSOCIATION.

Minutes of the Committee Meeting 9am Friday 10th February 2023

1. Attendance & apologies:

At 9am Chair Jan Corlett welcomed committee members John Parsons, Kerry Jewell, Wayne Collard, Treasurer Sue Day and Aveo Community Manager- Cosimo Ronconi.

Apologies were received from John Davies and Richard Fullford

The Chair thanked John Parsons for kindly taking the minutes in the absence of Richard Fullford.

Special Agenda Item: Confirmation that Richard Fullford as Interim RAC Secretary until elections in July 2023. This was approved unanimously by circular resolution. (See Para 4.6A of the Residents' Association Handbook.)

2. Minutes of the previous meeting:

The minutes from the previous meeting held on 10th November 2022 were confirmed as a true & accurate record. Moved Kerry Jewell 2nd Sue Day.

3. Business arising from the previous meeting:

3.1 Window Blinds for Bar and Stage Area CR

3.2 Garage Door Maintenance and Driveway Cleaning CR

3.3 Aveo Organisation Chart CR

Refer to Item 4 below.

4. Community Manager's Report

Whilst Cosi is in attendance discuss Items 6.1,6.2 and 9.4

- **Ref. 3.1 – Window blinds for the Bar and Stage area:** An appointment has been booked with Peregian Blinds and Curtains on Monday 13th February for window measurements and samples viewing.

- **Ref. 3.2 – Garage Door Maintenance and Driveway Cleaning:** Noosa Garage doors has advised that the price for the annual service of the Garage doors is \$ 150.00 for individual call outs or \$120.00 per garage door if more that 10 doors are completed on the same day.

Garage Door Maintenance and Driveway cleaning- after considerable discussion the CM will get Allan, the maintenance person, to assess the garage doors and the CM will also encourage residents to use the Qld Govt funded "Home Assist" scheme . Unfortunately, Allan has too many scheduled tasks to undertake driveway cleaning.

- **Ref. 3.3 – Aveo Organisational Chart:** Aveo will write a letter to all villages over the next 2 weeks with the updated information. In the meantime, the list of the Aveo executive team can be viewed on the following link: <https://www.aveo.com.au/investors/about-aveo/executive-team/>

Ref. 9.4 – Hedge Gardening: Unfortunately, the Head Gardener Michael Albrecht has resigned from his position with Hedge Property Services effective Monday 6th February.

I would like to express our appreciation for the hard work and commitment shown by Michael during his time in the village. No doubt he will be truly missed by many residents and staff, and we wish him all the very best for his future endeavours.

As a result, we have met with Hedge Operation Manager on 8th February and discussed their plans to replace Michael and to reinforce the onsite team.

The gardens maintenance schedule is currently running well behind as a result of the shortage of staff experienced by Hedge since the end of November.

Hedge has advised that a new team member will commence working in the Village on Monday 13th February and an additional team member will start the following week until they are back on track with their work schedule.

The Management Team is still negotiating with Hedge regarding the cost credit to be received for the period when Hedge did not meet their contractual duties due to the staff shortage.

Once again, we thank all residents for their patience during the past 2 months and we look forward to seeing the new work force attending to those areas that have been left overgrowing.

Agenda Item 9.4

Gardening Contract- CM confirmed that Michael (lead gardener) had left Hedge employment. Both the RAC and Aveo expressed disappointment in Hedge performance and as such the matter had been referred to Aveo Corporate for resolution. The RAC has written to Aveo regarding the standard of gardening and strongly suggesting a significant credit be given by Hedge for services not provided by Hedge. CM to follow up and report back. (See Item 9.4)

Agenda items 6.1/6.2- CM reported that he has put in place a system to manage food purchases, and noted the comments made regarding take away cups/mugs.

CM left the meeting at 10.05

5. Outward Correspondence:

- 5.1 Flying Minute ,15/1/23 re approval for expenditure for social events
- 5.2 Email to Bruce Townsend 16/1/23 re Eevie testing refer item 6.3
- 5.3 Email to Bruce Townsend (see above)
- 5.4 Email to RAC committee 19/1/23 re interim Secretary

A motion was proposed that the outward correspondence be endorsed, proposed by Sue Day and seconded by John Parsons. Motion carried

6. Inward Correspondence:

- 6.1 Email from John Davies 31/12 re Manor Matters
- 6.2 Email from John Davies 31/12/22 re further Manor Matters
- 6.3 Email from Bruce Townsend 10/1/23 re charge for not testing Eevie
- 6.4 Email from Bruce Townsend 16/1/23 see above
- 6.5 Email from Bruce Townsend 16/1/23 see above
- 6.6 Email Mark Richards Law 31/1/23 re update on Aveo class action (See Attached)
- 6.7 Update from Aveo Legal on Insurance matters- Request for ARQRV to advise on previous village experience with the operation of mutual funds (if any) (See attached)

A motion was proposed that the inward correspondence be received. Proposed by John Parsons and seconded by Wayne Collard. Motion carried

7. Treasurer's Report

Sue Day tabled reports for the months of November and December 2022 and January 2023.

Residents Association Treasurer Report for November 2022										
Date	Pay Req	Detail	Main	Imprest	Bar	Social	Sundry	Bar	Bar	Library
	No		Account	Account	Takings	Takings		Expenses	Supplies	
		Balance C/F	\$9,122.51	\$3,000.00		Tap & Go				
		DEPOSITS				&Payments				
		Bar Deposits								
		Tap & Go Deposits	\$1,993.95		\$1,993.95					
		Cash Deposits	\$2,412.65		\$2,412.65					
		Social Event Deposits								
		27x\$35 XmasFest Tap&Go	\$945.00			\$945.00				
		Aveo Payment	\$500.00				\$500.00			
		Portofino Donation	\$250.00				\$250.00			
		Total Receipts	\$6,101.60		\$4,406.60	\$945.00	\$750.00	\$0.00	\$0.00	\$0.00
		PAYMENTS								
		CBA Monthly A/c Fee	\$19.79				\$19.79			
		Bar Purchases								
	417/8/9	Imprest A/c	\$3,364.11	\$3,364.11						
		Kitchen Spllies		-\$13.25			\$13.25			
		Xmas Raffle		-\$159.73		\$159.73				
		Stationery		-\$23.40			\$23.40			
		Dans & Coles		-\$3,167.73					\$3,167.73	
	420	Library Books	\$116.00							\$116.00
		RAC Stationery								
	415	Stationery Files&Cartridges	\$97.93				\$97.93			
		Other								
	411	Melb Cup68x\$25	\$1,700.00			\$1,700.00				
	412	Remembrance Day Wreath	\$242.00				\$242.00			
	413	10 TableclothsLaundry	\$88.00			\$88.00				
	414	68x\$3 Bubbles	\$204.00			\$204.00				
	416	Xmas Fest Raffle	\$83.00			\$83.00				
		Total Payments	\$5,914.83	\$0.00	\$0.00	\$2,234.73	\$396.37	\$0.00	\$3,167.73	\$116.00
		Cash Book Bal. F/Ward	\$9,122.51							
		Plus Receipts	\$6,101.60							
			\$15,224.11							
		Less Expenditure	-\$5,914.83							
		Cash Balance	\$9,309.28							
		Bar report at end of November 2022								
		Bar Takings		\$4,406.60						
		Opening Stock	\$2,676.18							
		Plus Purchases	\$3,167.73							
		Less Closing Stock	-\$2,903.24							
		Cost of Sales	\$2,940.67	-\$2,940.67						
		Operating Profit		\$1,465.93						
		ASSETS								
		Bank	\$9,309.28							
		Imprest AC	\$3,000.00							
		Bar Float	\$500.00							
		BarStock	\$2,903.24							
		Total	\$15,712.52							

The Treasurer reported that Tap 'n Go was a continuing success.

Discussion also took place about drinks pricing at the Bar. Bar Manager will review current pricing and may recommend an increase.

A motion was proposed that the Treasurer's report be received, accounts paid be ratified and accounts presented for payment be approved. Proposed Sue Day and seconded Jan Corlett.

8. Sub-Committee Reports

8.1 Bar Manager's Report. Wayne Collard

A full report will be given at the Quarterly General Meeting on Tuesday 28th February 2023.

8.2 Social Event Coordinators Report. Sue and Geoff Barden

We held a meeting with Ann & Cosi in December and are delighted to announce that Ann has agreed to cater for all our upcoming events. Keeping everything in-house will be so much easier and efficient.

We agreed the following:

For evening events, service will commence at 6.30 pm so we suggest all future events commence at 5.30 pm in the evening. Bar to open at 5.30pm if Wayne agrees.

It is cheaper to provide our own waitstaff so we will endeavour to do that when we can at a charge of \$90 per staff member with a minimum of two staff. Bearing in mind that there is a slightly longer walk from the commercial kitchen and to get food out hot and in a timely manner it may be a good idea to look at three waitstaff for future events. Your thoughts would be appreciated.

After discussions with Jan Corlett & Sue Day we concluded that a strict booking policy is required for all future events to avoid constant changing after the closing dates and the ongoing work this causes. Policy, as follows:

The closing date for all events will be seven days prior to the event. and the numbers will be given to Ann at that point. There will be no cancellations or add-ons of extra guests after this time. There will also be no refunds to anyone after the closing date. No exceptions.

We also agreed that all paid events are for residents who have paid. It is unfair to paid residents and to all the volunteers who pay for each event and put much time and effort for the enjoyment of the residents, for others to come along and dance and listen to the entertainment without paying.

The following are a list of the upcoming events:

Australia Day, 26th January 2023

A BBQ will be prepared by Ann at a total cost of \$2.85 per person plus \$105 for food preparation which equates to \$4.16 per person if 80 attend.

Cosi has kindly offered to cook the BBQ for us on Australia Day with the help of his children.

We will provide the lamingtons and also the sauces to go with the BBQ. To include Mustard, Tomato, and BBQ sauce. Estimated cost to cover this would be approximately \$40. All decorations were bought last year.

We are charging \$10 per head and \$15 for guests.

We have booked Murray Lloyd to sing and play guitar @ \$300 for 3 hours.

Wayne has agreed to open the bar from 12noon to 3pm.

Valentine's Day, Tuesday 14th February 2023

Ann would like to put on an event for lunch time to commence at 1pm. This will be a two course lunch and she is charging us \$22 per head. Maximum number of guests will be 40. We suggest charging \$25 per head which will give us up to \$120 to spend on napkins and decorations. The bar will be closed so it is a BYO event.

Hawaiian Night, Wednesday 15th March 2023

We request \$350 to book Kerri O'Keefe for this event. She was well received at the Xmas Fest and will play for 4 hours. We have all the decorations. Just require \$25 for napkins.

New Year's Eve, Sunday 31st December

Although we have only just had our NYE event, which was very successful by all accounts, we do have to book entertainment for the end of the year. We have had a meeting with the duo "Better Together" which includes Kerri O'Keefe and her partner Frank, and they have agreed to reduce their NYE rate from \$1,200 to \$1,000 for four hours. We suggest we hold NYE as another BYO event, both food and drinks but charge an entertainment fee of \$10 to partially cover the cost of these fabulous entertainers. 80 guests booked for last NYE so with similar numbers a cover charge will bring us in \$800. Your approval would be greatly appreciated as we would like to go ahead and book them as soon as possible.

Discussion on Event Co-ordinators report. The Committee thanked Sue and Geoff for their great organisation and the variety of social events on offer for the enjoyment of residents.

Request to approve a further \$90 for Tablecloths, and \$15 for napkins, approved unanimously.

9. General Business

9.1 Missing Mah-Jong set- the Committee expressed its disappointment that it hasn't been returned (as its an asset acquired by the RAC). The Mah-jong sets were purchased for use by the Mah-jong group who play in the Manor. An urgent plea is issued for its return.

9.2 Remembrance Day Wreaths - after discussion it was agreed to continue to purchase traditional wreaths for these occasions.

9.3 Skip Bins -Following discussion it was resolved to arrange for 2 bins to be ordered once per year in Spring. The cost has more than doubled since they were first made available.

9.4 Gardening Matters. Letter sent to Hedge on behalf of residents.

From Jan Corlett

Chair, Aveo Peregian Springs Residents' Association Committee

TO WHOM IT MAY CONCERN

As Chair of the Residents' Association Committee at Peregian Springs Country Club and on behalf of the residents of this Village, I wish to express our grave concerns regarding the parlous state of our general gardens and grounds.

All residents take great pride in the Village. It is not good enough that the entrances to the Village are kept up to scratch when the general state of the hedges, bushes and gardens in the rest of the Village are left unkempt. (See examples attached)

Since Hedge was awarded the contract in June/July 2021 there have been numerous issues. This is despite assurances made at a general meeting of residents to be introduced to the Hedge team that Hedge would provide a first class service with three dedicated gardeners.

Sadly, this has not been the case. Within six months the gardens and grounds had deteriorated to such an extent that the Aveo State Operations Manager was forced to intervene. He walked the village with a member of Hedge management to ascertain the deficiencies and was assured these would be addressed and would not reoccur. The then supervisor was demoted and another member of the gardening team, a qualified horticulturist, took on the role as Head Gardener.

For a time residents could see a vast improvement, however the standard deteriorated as often there was not a full complement of gardeners on site as per the contract. Peregian Springs is an extensive Village which requires three gardeners on a daily basis. This is why the residents pay, through our levies, a contract of approximately quarter of a million dollars. Often there has only been one, the Head Gardener, or two gardeners on site trying to fulfill Hedge obligations.

The monthly account is paid by Aveo on our behalf as per the contract, but Hedge are not adhering to their part of the contract. We require a large credit to our account due to Hedge as the contractor, receiving the full amount on a monthly basis when Hedge has only been paying for one or two gardeners for much of the past year.

Residents expect that the gardens and grounds at Peregian Springs to be brought up to the standard they were when Hedge took over the contract. This will require a considerable amount of manpower and residents expect this demand to be met by Hedge in the foreseeable future, as well as a substantial credit.

8/2/2023

9.4 Library Matters After discussion it was decided that residents are no longer required to sign out the new books which have been purchased from Residents' Association funds.

The Committee also offered a vote of commendation to Isobel and her Team of Library Volunteers for the variety, quality, presentation and orderly way in which the Library is operated . Residents are certainly very appreciative of this volunteer service.

9.5 Future RAC meetings – 10 March, 14 April, 12 May, 9 June, 14 July. QGM 28 Feb, 18 April, 25 July. QGM/AGM 25 July.

The next RAC will be held on Friday 10 March , 2023.

Being no further business the meeting closed at 11.20am

Signed
Chair

Date

Re Item 6.6

From

Mark Richards BA LLB (Hons) | Solicitor |

Dear Jan and Sue

David and I have been following the proceedings following our presentation at the end of last year. I provide the following update on behalf of David and me.

As some residents may be aware there have been articles recently published in the Sydney Morning Herald and the Weekly Source and even legal publications.

Also, we understand that the law firm Levitt Robinson has been advertising on the radio.

We are puzzled by the advertisements. It might well be that residents who did not “opt out” of the Class Action at the end of last year are still able to sign the Funding Agreement and become a client of Levitt Robinson. This might help Levitt Robinson obtaining a financial contribution from residents who have remained in the Class Action if there is a settlement with Aveo or if the class action is successful.

The explanation of the Court Documents and Class Action generally given by David and me, has not changed because of the recent advertising or published articles.

The Mediation is set down for 24 February 2023. You may recall that the original Mediation date was 14 December 2022.

We are not aware of anything so far that might cause another delay to the 24 February Mediation date. If we do, we will let you know.

We will also let you know the outcome of the Mediation as soon as we hear.

If the Mediation is unsuccessful, the Class Action will be set down to begin in March this year.

We will keep you updated but please call David or me should you field queries and concerns from residents that you need help to answer.

Regards

Mark

Mark Richards BA LLB (Hons) | Solicitor |

Property – Retirement Villages – Lifestyle Resorts

Re Item 6.7 From AVEO Legal

Residents' Committee

3 February 2023

Dear Residents' Committee,

RE: Update on Aveo's General Insurance Arrangements

I am writing to provide you with an update on Aveo's insurance arrangements, specifically:
(1) Appointment of a new insurance broker; and

(2) Early work on an alternative property insurance programme.

(1) Appointment of Aon

As you would be aware from prior correspondence, Aveo committed to undertake a review of general insurance brokerage services and to run a competitive market tender with the aim of engaging a fit-for-purpose broker that has experience in our sector, strong insurance placement capacity, and claims management experience.

Aveo's decision to undertake a tender was made in the context of a 'hard' insurance market where organisations, including retirement communities seeking renewed or expanded insurance coverage, were facing increased difficulties in placement. These difficulties have compounded over the past three years and arose from multiple factors including widespread natural catastrophes (floods and bushfires), the COVID pandemic, significant claims losses, and lack of investment returns experienced by insurers.

Together, these factors have significantly and adversely affected the insurance market, resulting in higher premiums, increased deductibles/excesses, tightened underwriting conditions and as a result restricted coverage and expanding exclusion terms.

The resulting hard insurance market and Aveo's own experience in placing coverage over the last two years has necessitated a re-examination of brokerage services to ensure that Aveo has the best possible advocate when seeking insurance, and that said broker has proven placement capacity with expansive market reach that delivers competitive commercial terms and scope of coverage for both residents and the organisation.

To this end, the Aveo Insurance Team is pleased to advise that Aon Risk Services has been appointed as Aveo's general insurance broker with effect from January 2023.

Aon's appointment followed completion of a comprehensive tender process that was undertaken with the assistance of an external insurance specialist – Inscon. Four brokers were invited to tender, including Aon, Marsh, Lockton and Aveo's then incumbent broker - Gallaghers.

As part of the tender process, each broker was evaluated against a set of criteria comprising organisational and service team capacity; claims management experience; remuneration and fee structures; program design strength; supplementary services; and regulatory compliance.

Having regard to the outcome of said evaluation, Aon's proposal was assessed as being superior and stood out as the preferred broker. Of significance, Aon proposed a dedicated core service team that has extensive familiarity and a particular focus on Retirement Living and Care. They also demonstrated a local insurance market depth and international reach with experience in alternative insurance programmes and structures.

We are confident that Aon will be able to assist Aveo and its communities to achieve competitive outcomes with future policy placement and claims management.

(2) Alternative property insurance programme

Having regard to the insurance renewal process and outcomes Aveo has experienced in the last three years, the Aveo Insurance Team has been taking proactive steps to ensure the best possible commercial terms and structures are being employed to deliver value for residents.

This has seen us appoint a new broker, as outlined above, but also commence research into alternate insurance and risk transfer structures that may be applicable and deliver material benefit in the medium to longer term.

Since Aon's appointment, the team has been working with our new broker to seek legal advice and explore feasible insurance and risk transfer structures beyond the traditional placement of a standalone policy. The intent of this research is to ascertain whether additional value and cost savings can be achieved for the group through viable alternatives such as a discretionary mutual fund.

It is hoped that where possible, such arrangements may alleviate surging premiums and deductibles, and enhance the certainty of placement while maintaining adequate protection of community assets.

The exploration of an alternative risk transfer programme/structure is still in its infancy. We are only in the early stages of assessing whether such structures are viable, but nonetheless felt it prudent to write and inform you of this work so that you are aware of our efforts to address the collective concern of rising insurance costs.

By way of simple explanation, any alternate structure would involve a protection cost that is allocated between two components – one that goes directly to the insurer in the form of a typical premium, and the other a contribution which is aggregated into a mutual fund. The latter is then used to fund claims of lower values, meaning we effectively 'self-insure' those events. Higher value items however, get passed to the insurer under placed coverage.

Indicative modelling suggests that where communities opt-in to this type of risk transfer pooling arrangement, the initial cost is unlikely to be higher than current rates and over the longer term is expected to reduce where self-insured loss events do not exceed the pool of funds held in trust. In other words, where loss events or claims paid out are less than the funds contributed for the year, the resulting surplus can be distributed back to participating communities in a variety of ways such as funding risk mitigation and risk management initiatives for members or contributing towards future fund costs.

It should be noted that the explanation provided above is general and simplified, but provides a good indication of an alternate risk transfer structure. Importantly, any such fund would be administered by Aon (not Aveo) to ensure the operation and management of claims through the fund is fair and transparent. Typically, with these types of arrangements a product disclosure statement is issued to participating members, along with an annual statement of all contributions, claims and costs.

These types of alternate risk transfer programmes are not new. They have been in the Australian market for some time, and we believe would enhance Aveo's appeal to insurers (as there is a level of self-insurance that protects their return and mitigates against high loss ratios). Resultantly, we would expect to see more competitive pricing and interest from additional insurers (something we have struggled with over the last triennium, particularly for strata communities).

As indicated earlier, we are still in the early phases of exploring alternate structures, but are committed to transparent and open dialogue with you on this matter. That is why we are writing to you early on, and to advise that we are willing to consult with residents on this and other material insurance matters. In the coming months, we will arrange a series of information sessions with resident committees to afford you the opportunity to be briefed on our efforts with respect to alternate structures, for you to offer suggestions, or otherwise to answer any questions you may have.

We trust this letter offers a meaningful update to you, and assures you of our genuine interest in ensuring that all communities are adequately and appropriately insured. Both the Aveo Insurance Team and Aon, as our new broker, will continue working in the best interest of residents to deliver a satisfactory insurance outcome despite challenging market conditions.

If you have any questions, please contact a member of the Aveo Insurance Team (Ling Huang or Glen Smallwood) on the details provided below.

Yours sincerely,

Joshua Little
Chief Risk Officer
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